

## **What is claimed is:**

**[Claim 1]** A method of trading a block of a security comprising:  
formulating a customized quote for the block in response to a request from a prospective counterparty, the customized quote being based on at least a size of the block and at least one historical characteristic of the security;  
delivering the customized quote to the prospective counterparty; and  
accepting an order to trade the block of the security based on the customized quote.

**[Claim 2]** The method of claim 1 further comprising verifying the request against a plurality of business logic rules.

**[Claim 3]** The method of claim 1 wherein the at least one historical characteristic is chosen from average spread, liquidity, volatility, or combinations thereof.

**[Claim 4]** The method of claim 2 wherein the at least one historical characteristic is chosen from average spread, liquidity, volatility, or combinations thereof.

**[Claim 5]** The method of claim 3 wherein the formulating of the customized quote further comprises:  
calculating a raw quote based on the at least one historical characteristic; and  
determining the customized quote from the raw quote by at least one of,  
applying an adjustment based on a time of day, and applying a discount based on a current position in the security.

**[Claim 6]** The method of claim 4 wherein the formulating of the customized quote further comprises:

calculating a raw quote based on the at least one historical characteristic; and determining the customized quote from the raw quote by at least one of, applying an adjustment based on a time of day, and applying a discount based on a current position in the security.

**[Claim 7]** Apparatus for trading a block of a security comprising:

means for producing a customized quote for the block in response to a request from a prospective counterparty, the customized quote being based on at least a size of the block and at least one historical characteristic of; and means for accepting an order to trade the block of the security based on the customized quote.

**[Claim 8]** The apparatus of claim 7 further comprising means for verifying the request against a plurality of business logic rules.

**[Claim 9]** The apparatus of claim 7 further comprising:

means for calculating a raw quote based on the at least one historical characteristic; and

means for determining the customized quote from the raw quote by at least one of, applying an adjustment based on a time of day, and applying a discount based on a current position in the security.

**[Claim 10]** The apparatus of claim 8 further comprising:

means for calculating a raw quote based on the at least one historical characteristic; and

means for determining the customized quote from the raw quote by at least one of, applying an adjustment based on a time of day, and applying a discount based on a current position in the security.

**[Claim 11]** A system for facilitating trading of block quantities of securities, the system comprising:

a quote service to provide customized, current quotes to prospective counterparties, a current quote based at least in part on a specified size of a block of a specified security as well as at least one historical characteristic of the specified security; and  
a trade processing system to execute trades, a trade of the block of the specified security being executed based on the current quote.

**[Claim 12]** The system of claim 11 further comprising a position server operatively connected to the quote service and the trade processing system to maintain position information for the system, wherein the current quote is also based in part on a discount that depends on a current position in the specified security.

**[Claim 13]** The system of claim 11 wherein the at least one historical characteristic is chosen from average spread, liquidity, volatility, or combinations thereof.

**[Claim 14]** The system of claim 12 wherein the at least one historical characteristic is chosen from average spread, liquidity, volatility, or combinations thereof.

**[Claim 15]** The system of claim 12 wherein the current quote is further based on a time of day.

**[Claim 16]** The system of claim 13 wherein the current quote is further based on a time of day.

**[Claim 17]** The system of claim 11 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 18]** The system of claim 12 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 19]** The system of claim 13 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 20]** The system of claim 14 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 21]** The system of claim 15 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 22]** The system of claim 16 further comprising an interface operable to provide the current quote to a prospective counterparty through a Web server.

**[Claim 23]** A method of producing a customized quotation to facilitate a trade of a block quantity of a security, the method comprising:  
running a regression analysis to establish slope and intercept values for a function;  
calculating at least one historical characteristic of the security;

determining coefficients for the function based at least in part on a profitability simulation; and  
producing the customized quotation from the function using the slope and intercept values, the coefficients, the block quantity, and the at least one historical characteristic of the security.

**[Claim 24]** The method of claim 23 further comprising adjusting the customized quotation based on: a time of day, a discount based on a current position in the security, or both.

**[Claim 25]** The method of claim 23 wherein the at least one historical characteristic is chosen from average spread, volatility, liquidity, or combinations thereof.

**[Claim 26]** The method of claim 24 wherein the at least one historical characteristic is chosen from average spread, volatility, liquidity, or combinations thereof.

**[Claim 27]** The method of claim 25 further comprising establishing a minimum premium to be charged for the trade, and wherein the producing of the customized quotation is further accomplished using the minimum premium.

**[Claim 28]** The method of claim 27 further comprising establishing a client-specific profitability constant, wherein the producing of the customized quotation is further accomplished using the client-specific profitability constant.

**[Claim 29]** The method of claim 26 further comprising establishing a minimum premium to be charged for the trade, and wherein the producing of

the customized quotation is further accomplished using the minimum premium.

**[Claim 30]** The method of claim 29 further comprising establishing a client-specific profitability constant, wherein the producing of the customized quotation is further accomplished using the client-specific profitability constant.

**[Claim 31]** Apparatus for producing customized quotations to facilitate trading of block quantities of securities, the apparatus comprising:

means for establishing a pricing function for a block quantity of a security;  
means for calculating at least one historical characteristic of the security; and  
means for producing a customized quotation from the pricing function using the block quantity for the security, and the at least one historical characteristic of the security.

**[Claim 32]** The apparatus of claim 31 further comprising means for adjusting the customized quotation based on: a time of day, a discount based on a current position in the security, or both.

**[Claim 33]** The apparatus of claim 31 further comprising means for establishing a minimum premium to be charged for the trade, the minimum premium to be used in producing the customized quotation.

**[Claim 34]** The apparatus of claim 33 further comprising means for establishing a client-specific profitability constant to be used in producing the customized quotation.

**[Claim 35]** The apparatus of claim 32 further comprising means for establishing a minimum premium to be charged for the trade, the minimum premium to be used in producing the customized quotation.

**[Claim 36]** The apparatus of claim 35 further comprising means for establishing a client-specific profitability constant to be used in producing the customized quotation.

**[Claim 37]** A computer program product including computer program code for producing customized quotations to facilitate trading of block quantities of securities, the computer program code comprising:

instructions for running a regression analysis to establish slope and intercept values for a function;

instructions for calculating at least one historical characteristic of a security;

instructions for determining coefficients for the function based at least in part on a profitability simulation; and

instructions for producing a customized quotation from the function using the slope and intercept values, the coefficients, a block quantity for the security, and the at least one historical characteristic of the security.

**[Claim 38]** The computer program product of claim 37 wherein the computer program code further comprises instructions for adjusting the customized quotation based on: a time of day, a discount based on a current position in the security, or both.

**[Claim 39]** The computer program product of claim 37 wherein the at least one historical characteristic is chosen from average spread, volatility, liquidity, or combinations thereof.

**[Claim 40]** The computer program product of claim 38 wherein the at least one historical characteristic is chosen from average spread, volatility, liquidity, or combinations thereof.

**[Claim 41]** The computer program product of claim 39 wherein the computer program code further comprises instructions for establishing a minimum premium to be charged for the trade, and wherein the producing of the customized quotation is further accomplished using the minimum premium.

**[Claim 42]** The computer program product of claim 41 wherein the computer program code further comprises instructions for establishing a client-specific profitability constant, wherein the producing of the customized quotation is further accomplished using the client-specific profitability constant.

**[Claim 43]** The computer program product of claim 40 wherein the computer program code further comprises instructions for establishing a minimum premium to be charged for the trade, and wherein the producing of the customized quotation is further accomplished using the minimum premium.

**[Claim 44]** The computer program product of claim 43 wherein the computer program code further comprises instructions for establishing a client-specific profitability constant, wherein the producing of the customized quotation is further accomplished using the client-specific profitability constant.